

Grantee: Tucson, AZ

Grant: B-11-MN-04-0507

April 1, 2014 thru June 30, 2014 Performance Report



Grant Number:

B-11-MN-04-0507

Obligation Date:**Award Date:****Grantee Name:**

Tucson, AZ

Contract End Date:

03/09/2014

Review by HUD:

Reviewed and Approved

Grant Award Amount:

\$2,083,771.00

Grant Status:

Active

QPR Contact:

Joyce Alcantar

LOCCS Authorized Amount:

\$2,083,771.00

Estimated PI/RL Funds:

\$463,999.83

Total Budget:

\$2,547,770.83

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

July 26, 2012: Substantial amendment approved May 2012, adding to the target area of greatest need. This area covers Campbell and Irvington, east to Country Club, south to Drexel, west to Campbell and north back to Irvington.

January 08, 2013: Substantial amendment approved by City of Tucson Mayor and Council (and forwarded and approved by HUD field office) to add the following census tracts, increasing the target area with the greatest need:

4019004104 AZ

4019002505 AZ

4019002506 AZ

How Fund Use Addresses Market Conditions:

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- >- code enforcement efforts (within the department is a Code Enforcement Division)
- >- HOME dollars (proposals could be sought for rental or homeownership projects)
- >- Human services program funding (both CDBG and City funding)
- >- Home rehabilitation funding (federal funding sources)
- >- Historic preservation efforts (the City's Historic Preservation Office is within this department)
- >- Down payment assistance (federal sources)
- >

>The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

Ensuring Continued Affordability:

Rental units will be rented through the City of Tucson El Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.

Definition of Blighted Structure:

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled "Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance and Redevelopment (1471). (2) and (18) "Blighted Area" and "Slum Area". The City of Tucson will not set aside any



NSP 3 funding for demolition.

Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

Housing Rehabilitation/New Construction Standards:

The City of Tucson's NSP Rehabilitation Standards can be found at the following link:

<http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>

>In addition, the City will, at a minimum, meet the City's Bronze certification for green rehabilitation, which meets all HUD requirements.

See link here to City of Tucson Residential Green Building Rating System:

><http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

Vicinity Hiring:

>The City of Tucson will follow the Section 3 regulations and the City's Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

Grantee Contact Information:

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520-837-5345

Joyce M. Alcantar
Project Coordinator
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520-837-5329

| Overall | This Report Period | To Date |
|--|--------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$2,547,770.83 |
| Total Budget | \$0.00 | \$2,547,770.83 |
| Total Obligated | \$86,271.86 | \$2,410,616.48 |
| Total Funds Drawdown | \$2,904.56 | \$2,189,145.67 |
| Program Funds Drawdown | \$2,381.76 | \$1,948,049.25 |
| Program Income Drawdown | \$522.80 | \$241,096.42 |
| Program Income Received | \$86,271.86 | \$326,845.48 |
| Total Funds Expended | \$2,954.83 | \$2,191,577.70 |
| Match Contributed | \$0.00 | \$0.00 |



Progress Toward Required Numeric Targets

| Requirement | Required | To Date |
|--|--------------|--------------|
| Overall Benefit Percentage (Projected) | | 0.00% |
| Overall Benefit Percentage (Actual) | | 0.00% |
| Minimum Non-Federal Match | \$0.00 | \$0.00 |
| Limit on Public Services | \$312,565.65 | \$0.00 |
| Limit on Admin/Planning | \$208,377.10 | \$180,599.97 |
| Limit on State Admin | \$0.00 | \$180,599.97 |

Progress Toward Activity Type Targets

| Activity Type | Target | Actual |
|----------------|--------------|--------------|
| Administration | \$208,377.10 | \$214,777.08 |

Progress Toward National Objective Targets

| National Objective | Target | Actual |
|-------------------------------|--------------|--------------|
| NSP Only - LH - 25% Set-Aside | \$520,942.75 | \$650,942.75 |

Overall Progress Narrative:

NSP 3 - The following is progress thru June 30, 2014:

The 25% Set-aside for individuals/families at or below 50% AMI has been exceeded. There are 7 rental units, with the only

>change this quarter being a vacancy in one of the units.

Beginning July 1st, 2014, The Advantage Real Estate and Investment Company (TAREIC) will no longer manage the El Portal portfolio. The City of Tucson, Housing and Community Development Department, Housing Assistance Division, will manage all NSP units. Responsible Organization information will be changed next quarter.

Resale progresses as the City of Tucson continues to purchase homes within the NSP3 boundaries, conveys to the Pima County Community Land Trust (PCCLT) for the rehabilitation and sale to qualified buyers.

The City of Tucson met the deadline for expending NSP3 grant funds last quarter. The final home purchased with grant funds

>is currently in rehabilitation phase. The address is:

1796 W. Chardonnay Drive, Tucson, AZ 85746

In addition to the above address, the following home is also in rehabilitation status:

3014 E. Via Genovesa, Tucson, AZ 85706

The following homes have had rehabilitation work completed and are now available for sale:

1898 W. Acorn Way, Tucson, AZ 85746

>6290 S. High Hope Lane, Tucson AZ 85706

Three homes were sold by PCCLT this quarter. Beneficiary data is included in this report. Addresses are as follows:

1961 W. Burgundy, Tucson, AZ 85746

>2102 E. Highland, Tucson, AZ 85706

>6803 S. Sun View Way, Tucson, AZ 85706

Project Summary

Project #, Project Title

This Report Period

To Date

Program Funds
Drawdown

Project Funds
Budgeted

Program Funds
Drawdown

| | | | |
|------------------------------------|------------|----------------|----------------|
| 0001, Administration | \$0.00 | \$214,777.08 | \$176,698.35 |
| 0002, Acquisition/Rehab for Rental | \$0.00 | \$650,942.75 | \$584,236.65 |
| 0003, Acquisition/Rehab for Resale | \$2,381.76 | \$1,682,051.00 | \$1,187,114.25 |



Activities

Project # / Title: 0001 / Administration

Grantee Activity Number: 9123

Activity Title: NSP3 Administration

Activity Category:

Administration

Project Number:

0001

Projected Start Date:

03/09/2011

Benefit Type:

()

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Tucson

Overall

Total Projected Budget from All Sources

Apr 1 thru Jun 30, 2014

N/A

To Date

\$214,777.08

Total Budget

\$0.00

\$214,777.08

Total Obligated

\$0.00

\$214,777.08

Total Funds Drawdown

\$0.00

\$180,599.97

Program Funds Drawdown

\$0.00

\$176,698.35

Program Income Drawdown

\$0.00

\$3,901.62

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$244.79

\$180,844.76

City of Tucson2

\$244.79

\$180,844.76

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

Location Description:

Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

Activity Progress Narrative:

Total Administration charge for this quarter are \$244.79 which will be drawn down in next quarter (July to September 2014).

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Project # / Title: 0003 / Acquisition/Rehab for Resale

Grantee Activity Number: 9541

Activity Title: Acquisition Rehab Resale

Activity Category:

Disposition

Project Number:

0003

Projected Start Date:

03/09/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab for Resale

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

Pima County Community Land Trust (PCCLT)5

Overall

Total Projected Budget from All Sources

Apr 1 thru Jun 30, 2014

N/A

To Date

\$1,682,051.00

Total Budget

\$0.00

\$1,682,051.00

Total Obligated

\$86,271.86

\$1,595,839.40

Total Funds Drawdown

\$2,904.56

\$1,421,381.00



| | | |
|---|-------------|----------------|
| Program Funds Drawdown | \$2,381.76 | \$1,187,114.25 |
| Program Income Drawdown | \$522.80 | \$234,266.75 |
| Program Income Received | \$86,271.86 | \$321,017.18 |
| Total Funds Expended | \$2,710.04 | \$1,423,568.24 |
| Pima County Community Land Trust (PCCLT)5 | \$2,710.04 | \$1,423,568.24 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. By selling these homes through the Pima County Community Land Trust, the homes are occupied as soon as possible, eliminating the vacant property issue for neighborhoods. We will purchase the homes at not less than one-percent below appraised value and sell them at market value, which helps stabilize housing prices in these neighborhoods. The Pima County Community Land Trust homes will be leased for a period of 99 years, which is automatically renewable for a second 99 year period.

Location Description:

The target area for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

>

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

>

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

>

>&bull The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);

>&bull The proximity to the University of Arizona.

>&bull The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.

>&bull The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;

>&bull The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Progress Narrative:

Total expenditures for this quarter were \$2,710.04. Of this amount \$2,187.24 is pending to be drawn down in next quarter (July to September 2014). Total draw down for this quarter of \$2,904.56 is from prior months expenditures that were not previously drawn.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 3 | 9/12 |

| | This Report Period | Cumulative Actual Total / Expected |
|--------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 3 | 9/12 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 0 | 3 | 3 | 5/0 | 4/0 | 9/12 | 100.00 |
| # Owner Households | 0 | 3 | 3 | 5/0 | 4/0 | 9/12 | 100.00 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |
